

Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 TRSE-00 XMB-02 OPIC-03 SP-02 CIEP-01

LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04 CEA-01 L-03

H-02 PA-01 PRS-01 USIE-00 SSO-00 INRE-00 NSCE-00

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FM AMEMBASSY LIMA

TO SECSTATE WASHDC IMMEDIATE 6062

C O N F I D E N T I A L LIMA 5983

EO 11652: GDS

TAGS: EINV, EMIN, PE, JA

SUBJECT: MARCONA EXPROPRIATION

REF: LIMA 5979

1. J.R. CARWIN OF MARCONA CALLED AT EMBASSY AGAIN EARLY AFTERNOON JULY 24. HE SAID THAT HE HAD BEEN INFORMED THAT EXPROPRIATION DECISION WAS MADE AT EMERGENCY CABINET MEETING ON EVENING JULY 23 (WE HAVE AS YET NO CONFIRMATION OF ACCURACY THIS STATEMENT). HE WASID HE UNDERSTOOD THAT POLICE WOULD TAKE OVER MARCONA'S OFFICE HERE AT 7:00 P.M. TONIGHT (JULY 24) AND THAT FERNANDEZ MALDONADO WOULD APPEAR ON TELEVISION AT 8:00 P.M. TOMORROW (JULY 25), FERNANDEZ MALDONADO WILL TRAVEL TO MARCONA IN THE MORNING FOR TAKOVER CEREMONY, WHILE RETIRED GENERAL JUAN BOSSIO, WHO WILL HEAD HIERROPERU/MARCONA WILL PRESIDE OVER SIMILAR CEREMONY IN LIMA.

2. CARWIN SAID THAT BOTH MARCONA'S LAWYER AND THE COMPANY'S INTERNAL LEGAL ADVISOR HAVE ADVISED HIM

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AND HIS WIFE TO LEAVE PERU AS PROMPTLY AS POSSIBLE. THE

REASON IS THAT CARWIN'S SIGNATURE IS ON NEARLY ALL DOCUMENTS AND HE IS LIKELY TO BE PREVENTED FROM LEAVING (OR PERHAPS EVEN DETAINED) IF THE GOP DECIDES TO ASSESS BLAME FOR ALLEGED NONPAYMENT OF TAXES, OVERPAYMENT OF COMMISSIONS, ETC. HE AND WIFE ACCORDINGLY WILL ATTEMPT TO DEPART PERU TONIGHT ON SEPARATE PLANES. FOR SIMILAR REASONS, LAWYERS HAVE ADVISED ENRIQUE EAST, MANAGING DIRECTOR, TO REMAIN IN COLOMBIA.

3. IN RESPONSE TO QUESTIONS, CARWIN SAID HE HAD NO IDEA OF HOW HIERROPERU PLANS TO OPERATE THE MINE OR WHAT THE STATUS OF MARCONA'S MANY EXPATRIATES WILL BE. NEITHER DID HE KNOW WHAT GOP PLANS TO DO WITH RESPECT TO SALES CONTRACTS OR SHIPPING. CARWIN VOLUNTEERED THE OBSERVATION THAT MARCONA MAY AFTER ALL HAVE BEEN THE VICTIM OF A HIDDEN PEARL HARBOR.

4. COMMENT: THE MORE WE LEARN, THE MORE IT APPEARS THAT EXPROPRIATION DECISION WAS HASTY AND ILL-ADVISED. UNLESS SUB ROSA PEARL HARBOR HAS OCCURRED, WE FAIL TO SEE HOW PERU EXPECTS TO MAINTAIN MINE OUTPUT OR SELL THE ORE. WE DOUBT THAT EXPATRIATE PERSONNEL, MOST OF WHOM ARE AMERICAN, WILL CHOOSE TO REMAIN ON THE JOB UNDER GENERAL BOSSIO'S MANAGEMENT.

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